VM-2 Package

This package contains the following:

- VM-2 Virginia Vending Machine Dealer's Sales Tax Return
- VM-2V Virginia Vending Machine Dealer's Sales Tax Voucher
- VM-2A Virginia Vending Machine Dealer's Sales Tax Worksheet
- VM-2B Schedule of Local Taxes

After you have completed the return (and sign it), the voucher (see intructions to determine if needed) and the schedule, mail them with your payment to:

Virginia Department of Taxation Vending Machine Dealer's Sales Tax P.O. Box 26627 Richmond, VA 23261-6627

The return must be filed, even if no tax is due.

DO NOT send the Worksheet (VM-2A) - maintain it as part of your records.

Form VM-2 Virginia Vending Machine Dealer's Sales Tax Return

Do NOT staple.

For assistance, call (804)367-8037.

Va. Dept. of Taxation VM-2 W REV 10/06

Mail completed forms (the return, the voucher (if needed), Form VM-2B and payment) to:

Virginia Department of Taxation



Required: Send the signed return, even if no tax is due.

| Vending Machine Dealer's Sales Tax P.O. Box 26627 | Account Number Period Due Date | | | | |
|--|----------------------------------|---|-----------------------------|--|--|
| Richmond, VA 23261-6627 | | | | | |
| Name | | | | | |
| A. Item | | B. State | C. Local | | |
| Cost of Tangible Personal Property | 1. | | | | |
| 2d. Total Deductions | 2d. | | | | |
| 3. Taxable Amount | 3. | | | | |
| 4. Tax State - General Sales and Use Tax Rate (Column B) For periods beginning on or after September 1, 2004, the rate of 5% (.05). For periods ending on or prior to August 31, 2004, the rate or 4.5% (.045). Local - General Sales and Use Tax Rate (Column C) All Filers - 1% (.01) | 4. | | | | |
| 5b. Dealer's Discount | 5b. | | 0 00 | | |
| 6. Net State Tax (Line 4 less Line 5b) | 6. | | | | |
| 7. Penalty for Late Filing | 7. | | ! | | |
| 8. Interest for Late Filing | 8. | | | | |
| 9. Total Tax, Penalty and Interest (Add Lines 6, 7 and 8) | 9. | | | | |
| 10. Total Amount Due (Add Line 9, Column B and Line 9, Column C) Also, enter this amount below on the voucher. | 10. | | | | |
| examined by me and to the best of my knowledge and belief is true, correct and com Signature Date Phone Number | | ☐ Electronic Funds Transfer ☐ Check Enclosed (If paying by check, enter the total amount due from Line 10 on the Voucher Form VM-2V, and enclose the voucher and you check with your return.) | | | |
| Check if Out-of-Business and enter the termination/sold date Form VM-2V Virginia Vending Machine Dealer's Sa (Doc ID 232) | | oucher | | | |
| Period Due Date | | Preparation Voucher (VM-2V) | | | |
| 00000000000000000000000000000000000000 | | If paying by check, enter the total amount du from Line 10 on the Voucher, Form VM-2V, an enclose this voucher and your check with you return. If you are paying by EFT or the amount of ta due is equal to zero, detach this voucher at th dotted line. Do NOT send voucher to Tax. | | | |
| Name | | | | | |
| Address | | | mount Due above return.) | | |
| City, State, ZIP | | | | | |

Form VM-2A Virginia Vending Machine Dealer's Sales Tax Return Worksheet

- Return and payment due on 20th of month following end of period.
- · Read instructions on reverse side before preparing this worksheet.

Dealer's Name

• Transfer lines indicated by the arrows to the corresponding line number on Form VM-2, Virginia Vending Machine Dealer's Sales Tax Return.

| Acct. | Number | Fil | ing Per | riod | | | |
|-------|--|--|---------|----------|----------|----|---|
| | A. Item | | | B. State | C. Local | | 7 |
| 1. | Cost of Tangible Personal Property - Enter the cost cost of tangible personal property sold through vendin [Enter on Form VM-2, Line 1] | | 1. | | | | • |
| 2 | Allowable Deductions: a. Cost price and/or manufactured cost of tangible per vending machines during this period and returned period, if included in Line 1. (See instructions) | | 2a. | | | | |
| | Cost price and/or manufactured cost of tangible per vending machines and returned during this period prior period. (See instructions) | | 2b. | | | | |
| | c. Other Deductions | | 2c. | | | | |
| , | d. Total Deductions - Add Lines 2a, 2b and 2c [En | nter on Form VM-2, Line 2d] | 2d. | | | | • |
| 3. | Taxable Amount - Line 1 less Line 2d [En | nter on Form VM-2, Line 3] | 3. | | | | • |
| 4. | Tax Enter in Col B the State Tax computed by multiplying • For periods beginning on or after September 1, 20 • For periods ending on or prior to August 31, 2004, Enter in Col. C the Local Tax computed by multiplying | 04, the rate of 5% (. 05). the rate or 4.5% (. 045). | 4. | | | | • |
| 5a. | Dealer's Discount - Dealer's discount is allowable of payment are made on time. See instructions. For more information, please see Tax Bulletin 10-5 virginia.gov. Enter the discount factor on Line 5a. | only when your return and | | | | | |
| | Total Monthly Taxable Sales From All Locations | Dealer's Discount | | | | | |
| | Is At Least But Less Than | Factor | | | | | |
| | \$0 \$62,501 | .0128 | | | | | |
| | \$62,501 \$208,001 | .0096 | | | | | |
| | \$208,001 And Up | .0064 | 5a. | | | | |
| 5b. | Dealer's Discount - Multiply Line 4, Column B by Line [El | e 5a nter on Form VM-2, Line 5] | 5b. | | 0 | 00 | • |
| 6. | Net State Tax - Line 4 less Line 5 [En | nter on Form VM-2, Line 6] | 6. | | | | • |
| 7. | Penalty for Late Filing and Payment [E | nter on Form VM-2, Line 7] | 7. | | | | • |
| 8. | Interest for Late Filing and Payment [El | nter on Form VM-2, Line 8] | 8. | | | | • |
| 9. | Total Tax, Penalty and Interest - Add Lines 6, 7 and [En | 8 nter on Form VM-2, Line 9] | 9. | | | | • |
| 10. | Total Amount Due - Add Line 9, Column B and Line 9 | 9, Column C nter on Form VM-2, Line 10] | 10. | | | | • |

Worksheet is for your records only. Do NOT mail.

Virginia Vending Machine Dealer's Sales Tax Return and Worksheet Instructions

What's New: Effective beginning with the June, 2010 return due July 20, 2010, legislation enacted in the 2010 Session of the General Assembly, House Bill 29 and House Bill 30, makes changes to the dealer discounts allowed to some dealers for collecting and remitting certain taxes.

General: These forms should be used to compute and report the sales tax on tangible personal property sold through vending machines for the locality shown on the Vending Machine Dealer's Sales Tax Return, Form VM-2. Form VM-2B is used to allocate the 1% local tax and must be filed with Form VM-2. This worksheet, Form VM-2A, should be kept with your tax records.

Do not report on these forms non-vending machine sales or use tax on non-taxed purchases. Non-vending machine sales (such as wholesale sales, over-the-counter sales, etc.) must be reported separately on the Retail Sales and Use Tax Return, Form ST-9 along with use tax for the locality shown on the return. Use tax accrued in a locality for which you do not hold a sales tax registration must be reported on a Consumer's Use Tax Return, Form ST-7.

Filing Procedure: Mail Form VM-2 with your payment to: Department of Taxation; P.O. Box 26627; Richmond, Virginia 23261-6627 or deliver to your local commissioner of the revenue or treasurer, as soon as possible after the close of the reporting period but not later than the 20th day of the following month. A return must be f led for each reporting period even if no tax is due.

Payments returned by the bank will be subject to a returned payment fee in addition to any other penalties that may be incurred.

Change of Ownership: If there has been a change of ownership, do not use the return with the name and account number of the former owner. Send the return with notice of change to the Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114. You can register a new dealer and/or locations, by either completing a Form R-1, Business Registration Application, or electronically using iReg on the Department's website, www.tax.virginia.gov.

Change of Address/Out-of-Business: If you change your business mailing address or discontinue your business, either send a completed Form R-3, Registration Change Request, or a letter to the Virginia Department of Taxation, P.O. Box 1114, Richmond, Virginia 23218-1114.

Questions: For assistance, call (804) 367-8037 or write the Department of Taxation; P.O. Box 1115; Richmond, VA 23218-1115. Tenemos servicios disponible en Español.

Forms and instructions are available for download from our website, www.tax.virginia.gov, or by calling (804) 440-2541.

Explanation of "Cost Price" and "Cost of Manufactured Tangible Personal Property"

If you acquire items for sale through vending machines and resell without further manufacturing or processing, you must compute the tax using the cost price. If you manufacture or process the items sold through vending machines, you must compute the tax using the manufactured/processed cost.

Manufactured/processed cost includes raw material cost plus labor and overhead attributable to the manufacture of the items being sold. The method of accounting used for federal income tax purposes is used to determine manufactured cost. For example, if first-in, first-out is used for federal income tax purposes, this accounting method is used each month in computing cost price and manufactured cost of goods. Proper records must be maintained each month to substantiate cost price and cost of goods manufactured.

Preparation of Form VM-2A

- Instructions for lines not mentioned below are on the worksheet.
- Transfer the items indicated by the arrows on the worksheet to the corresponding line numbers on Form VM-2.
- Retain this worksheet as a part of your tax records. Do not f le worksheet with Form VM-2.
- If you are allowed to file a consolidated return, attach the "Schedule of Local Vending Machine Sales Tax," Form VM-2B, to the dealer's return.
- Line 1 Enter on Line 1, Columns B and C, the total cost price and/or manufactured cost of tangible personal property sold through vending machines during this period.

Line 2 Deductions:

a. Enter on Line 2a, Columns B and C, the cost price and/or manufactured cost of tangible personal property sold through vending machines and returned by purchasers, if included in Line 1.

- b. Enter on Line 2b, Columns B and C, the cost price and/or manufactured cost of tangible personal property sold through vending machines and returned during the period on which the tax was paid in a prior period.
- c. Enter on Line 2c, Columns B and C, any other deduction allowed by the Virginia Sales and Use Tax Act.
- d. Enter on Line 2d, Columns B and C, the sum of Lines 2a, 2b and 2c.
- **Line 3** Enter the amount on which the tax is computed (Line 1 less Line 2d).
- Line 4 Enter on Line 4, Column B, the state tax computed on the amount on Line 3. Enter on Line 4, Column C, the local tax computed on the amount on Line 3.
- Line 5a Dealer's discount factor is based on total monthly cost of goods sold from all locations. You cannot take the dealer's discount unless you file the return and pay the tax by the due date. No dealer's discount is allowed on local tax. Figure your dealer's discount as follows:
 - If you file only one return (including a consolidated return), find your cost of goods sold on Line 3, Col. B. Use this number to determine your discount factor from the table on Line 5a, Col. A.
 - If you file more than one return, add the total monthly cost of goods sold from all locations. Use this number to determine your discount factor from the table on Line 5a, Column A.
 - If you file quarterly, add the total quarterly cost of goods sold from all locations. Divide by three to find average monthly cost of goods sold. Use this number to determine your discount factor from the table on Line 5a, Column A.

Quarterly Filers - For the period of July 1, 2004, through September 30, 2004:

Multiply your tax for July 2004 and August 2004 by the applicable dealer's discount factor for the period ending on or before 8/31/04; and

Multiply your tax for September 30, 2004, by the applicable dealer's discount factor for the periods beginning on or after 9/1/04.

Add the amounts and enter the total in Column B.

- Enter your dealer's discount factor on Line 5a, Column B.
- Line 5b Enter on Line 5b, Column B, the dealer's discount by multiplying the amount of state tax on Line 4, Column B, by the applicable discount factor determined by Line 5a.
- Line 6 Enter the amount of tax due (Line 4 less Line 5b).
- Line 7 Enter on Line 7, Columns B and C, penalty for late filing, if applicable. Penalty is computed on the tax in Line 4 at the rate of 6% per month, or fraction thereof that the tax is not paid, not to exceed 30%. However, in no case shall the penalty be less than \$7.50 in Column B and \$2.50 in Column C. The minimum penalty applies whether or not any tax is due for the period.
- Line 8 Enter on Line 8, Columns B and C, interest for late filing, if applicable. Interest is calculated on the amount in Line 4, at the rate established in Section 6621 of the Internal Revenue Code of 1954, as amended plus 2%.

Preparation of Form VM-2

Transfer the items indicated by the arrows on the worksheet to the corresponding line numbers on Form VM-2.

Declaration and Signature: Be sure to sign, date and enter your phone number in the space indicated on the return.

Preparation of Form VM-2V

If paying by check, enter the amount from Line 10 on the Voucher, Form VM-2V, and enclose this voucher and your check with your return. If you are paying by EFT or the amount of tax due is equal to zero, detach this voucher at the dotted line. Do NOT send voucher to Tax.

VM-2B Schedule Of Local Vending Machine Sales Tax



- Do NOT staple.
- Transfer the total amounts to the appropriate lines on form VM-2A.
- List of Virginia counties and cities is printed on reverse side.

| Name | | | | | | | |
|---------|---------------|----------------------------|---|---------------------|--|--|--|
| Address | i | | | | | | |
| | | | | Account Number | | | |
| | | Filing Period (Year/Month) | | | | | |
| | | | | | | | |
| | Locality Name | Code | 1 Cost Price And/Or Manufactured Cost Of Tangible Personal Property Sold Through Vending Machines | 2d Total Deductions | 3 Amount On Which Local Vending Machine Tax Will Be Computed | | |
| | | | | | | | |
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Total >

List Of Virginia Counties And Cities And Locality Code Numbers

* Please note that five counties have the same name as a city - Bedford, Fairfax, Franklin, Richmond and Roanoke.

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|--------|--------|
| (:01 | ınties |

| | | Counties | 5 | | |
|-----------------------|----------------|---------------------------|----------------|------------------------------|-------|
| Accomack | 51001 | Franklin County* | 51067 | Nottoway | 51135 |
| Albemarle | 51003 | Frederick | 51069 | Orange | 51137 |
| Alleghany | 51005 | Giles | 51071 | Page | 51139 |
| Amelia | 51007 | Gloucester | 51073 | Patrick | 51141 |
| Amherst | 51009 | Goochland | 51075 | Pittsylvania | 51143 |
| Appomattox | 51011 | Grayson | 51077 | Powhatan | 51145 |
| Arlington | 51013 | Greene | 51079 | Prince Edward | 51147 |
| Augusta | 51015 | Greensville | 51081 | Prince George | 51149 |
| Bath | 51017 | Halifax | 51083 | Prince William | 51153 |
| Bedford County* | 51019 | Hanover | 51085 | Pulaski | 51155 |
| Bland | 51021 | Henrico | 51087 | Rappahannock | 51157 |
| Botetourt | 51023 | Henry | 51089 | Richmond County* | 51159 |
| Brunswick | 51025 | Highland | 51091 | Roanoke County* | 51161 |
| Buchanan | 51027 | Isle Of Wight | 51093 | Rockbridge | 51163 |
| Buckingham | 51029 | James City | 51095 | Rockingham | 51165 |
| Campbell | 51031 | King And Queen | 51097 | Russell | 51167 |
| Caroline | 51033 | King George | 51099 | Scott | 51169 |
| Carroll | 51035 | King William | 51101 | Shenandoah | 51171 |
| Charles City | 51036 | Lancaster | 51103 | Smyth | 51173 |
| Charlotte | 51037 | Lee | 51105 | Southampton | 51175 |
| Chesterfield | 51041 | Loudoun | 51107 | Spotsylvania | 51177 |
| Clarke | 51043 | Louisa | 51109 | Stafford | 51179 |
| Craig | 51045 | Lunenburg | 51111 | Surry | 51181 |
| Culpeper | 51047 | Madison | 51113 | Sussex | 51183 |
| Cumberland | 51049 | Mathews | 51115 | Tazewell | 51185 |
| Dickenson | 51051 | Mecklenburg | 51117 | Warren | 51187 |
| Dinwiddie | 51053 | Middlesex | 51119 | Washington | 51191 |
| Essex | 51057 | Montgomery | 51121 | Westmoreland | 51193 |
| Fairfax County* | 51059 | Nelson | 51125 | Wise | 51195 |
| Fauquier | 51061 | New Kent | 51127 | Wythe | 51197 |
| Floyd | 51063 | Northampton | 51131 | York | 51199 |
| Fluvanna | 51065 | Northumberland | 51133 | | |
| | | Cities | | | |
| Alexandria | 51510 | | 51630 | Petersburg | 51730 |
| Bedford City* | 51510 51515 | Fredericksburg Galax | 51630 51640 | Poquoson | 51730 |
| Bristol | 51515 | Hampton | 51650 | Portsmouth | 51733 |
| Buena Vista | 51520 | · | 51660 | Radford | 51740 |
| Charlottesville | | Harrisonburg | 51670 | | 51760 |
| | 51540 51550 | Hopewell | 51670 | Richmond City* Roanoke City* | 51760 |
| Colonial Heights | 51550 51570 | Lexington | 51676 | Salem | 51770 |
| Covington | 51570 51580 | Lynchburg Manassas | 51683 | Staunton | 51775 |
| Covington Danville | 51580 51590 | Manassas Manassas Park | 51685 | Suffolk | 51790 |
| | | Martinsville | | | |
| Emporia Enirfox City* | 51595 51600 | | 51690 51700 | Virginia Beach | 51810 |
| Fairfax City* | 51600 51610 | Newport News | 51700 51710 | Waynesboro | 51820 |
| Falls Church | 51610 51630 | Norfolk | 51710 51720 | Williamsburg | 51830 |
| Franklin City* | 51620 | Norton | 51720 | Winchester | 51840 |